GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:145
ANSWERED ON:02.12.2005
FISCAL DEFICIT QUESTION
Shiwankar Shri Maha Deo Rao;Singh Shri Dushyant

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government has made an assessment of the extent of revenue and fiscal deficit during the first six months of the current fiscal vis-â€¦-vis the figures of last year;

(b) if so, the details thereof, State-wise during the above period;

(c) the steps taken to check revenue and fiscal deficit for the remaining part of the current fiscal; and

(d) the amount of loan taken so far/proposed to be taken from the market during the said period?

Answer

FINANCE MINISTER (SHRI P. CHIDAMBARAM)

(a) to (d): A statement is placed on the Table of the House

STARRED QUESTION NO.145 (POSITION NO.4)

Statement referred to in reply to Lok Sabha Starred Question No.145 (POSITION NO.4) of 2ND DECEMBER, 2005 by Prof. Mahadeorao Shiwankar and Shri Dushyant Singh, regarding Fiscal Deficit.

(a) to (d): Based on the assessment of the Union Government finances, undertaken as a part of the fiscal correction obligations mandated under the Fiscal Responsibility and Budget Management Act, 2003, reports are submitted to Parliament. A mid-year review is being presented to Parliament since 2002-03, which details the fiscal situation as at the end of the first six months of the financial year. The Mid-year Review for 2005-06 would be placed in the Parliament in the current session. The extent of Union revenues, Union revenue deficit, and Union fiscal deficit for the first six months of the current and previous financial year are given below:

(Rs. crore)

Sl. No.	Indicator	April-September 2004-05	April September 2005-06
Union Government			
1.	Gross tax Revenue	1,12,843	1,37,542
2.	Revenue receipts	1,06,507	1,22,845
3.	Total expenditure	1,95,573	2,10,983
4.	Revenue Expenditure	1,66,458	1,87,942
5.	Revenue deficit	59,951	65,097
6.	Fiscal deficit	53,235	83,843
		(82,575)	(83,843)

Source: Controller General of Accounts, Department of Expenditure, Ministry of Finance.
Note: Figures in parentheses are deficits adjusted for debt swap receipts, which have been discontinued in 2005-06.

Sustaining fiscal consolidation is a continuous process, which includes measures increasing the revenue receipts (both tax and non tax) and achieving moderation in expenditure, particularly non-plan expenditure. The gross and net market borrowings of dated securities of the Union Government as per the Budget for 2005-06 are placed at Rs.1,39,467 crore and Rs.1,03,836 crore respectively. During 2005-06 (up to November 25, 2005) gross and net market borrowing are placed at Rs.97,000 crore and Rs.64,370 crore respectively. The provisional gross and net allocation under the market borrowing programme for State Governments for 2005-06(BE) was placed at Rs.22,431 crore and Rs.16,112 crore respectively. During the current financial year so far (up to November 28, 2005), the gross borrowings of the State Governments amounted to Rs.14,640 crore.

The Union Government does not make any specific intra-year assessment of the State finances.